

# ACCOUNTING DISCLOSURE OF SOCIAL RESPONSIBILITY AND ITS IMPACT ON THE DIMENSIONS OF SUSTAINABLE DEVELOPMENT

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## Abstract

The research aims to demonstrate accounting disclosure of social responsibility and its impact on the dimensions of sustainable development, by identifying the theoretical aspects of accounting disclosure, social responsibility and dimensions of sustainable development. The importance of the research stems from identifying the role of accounting disclosure of social responsibility in enhancing the organization's reputation and increasing the brand. It clarifies that environmental considerations and sustainability are an integral part of the company's values and operations. The research problem can be reviewed through the following question: "How does accounting disclosure of organizations' social responsibility practices affect the dimensions of sustainable development?" The research hypothesis was formulated about the impact of accounting disclosure of social responsibility on the economic, social and environmental dimensions of sustainable development. In order to achieve the goals sought by the research, the researcher prepared a questionnaire to clarify the opinions of employees at Baghdad Soft Drinks Company in determining the impact of accounting disclosure of social responsibility on the economic, social and environmental dimensions of sustainable development. One of the most important results reached by the research is the great importance of accounting disclosure of social responsibility on the economic, social and environmental dimensions of sustainable development by attracting socially conscious investors who They prioritize sustainability as it gives organizations a competitive advantage in the market, enhances transparency and accountability, enables organizations to provide data and evidence about their social initiatives, and encourages engagement with stakeholders so that they become more aware of environmental issues related to organizations.

**Keywords:** accounting disclosure, social responsibility, dimensions of sustainable development.

## Introduction

CSR accounting disclosure refers to the practice of organizations transparently reporting their social, environmental and ethical performance alongside their financial results. It involves providing stakeholders such as investors, customers, employees and the public with information about the company's efforts to operate in a socially responsible manner. This disclosure has a significant impact on achieving sustainable development, as it enhances

economic sustainability by promoting accountability and trust in business operations. Investors are more likely to support companies that demonstrate a commitment to ethical practices and long-term value creation. It also contributes to environmental sustainability by encouraging organizations to adopt environmentally friendly practices, reduce resource consumption and waste, which leads to more efficient use of resources and a lower environmental footprint. CSR accounting disclosure positively impacts social sustainability by promoting inclusive and diverse workplaces, fair labor practices and community engagement. Companies that prioritize social responsibility are more likely to have a positive impact on the well-being of their employees as well as the communities in which they operate. In general, CSR accounting disclosure plays a crucial role in promoting sustainable development, as it integrates economic, environmental and social considerations into business practices, ultimately contributing to a more balanced and resilient global economy.

### **The first axis is the research methodology and previous studies**

#### **1- 1 The research problem**

The main research question can be formulated on the subject of accounting disclosure of social responsibility and its impact on the dimensions of sustainable development as:

"How does the accounting disclosure of organizations about social responsibility practices affect the dimensions of sustainable development?" From which the following questions branch out:

- 1- Accounting disclosure of social responsibility practices and its impact on the economic dimension of sustainable development?
- 2- Accounting disclosure of social responsibility practices and its impact on the social dimension of sustainable development?
- 3- Accounting disclosure of social responsibility practices and its impact on the environmental dimension of sustainable development?

#### **1-2 Importance of Research**

Research on accounting disclosure of social responsibility and its impact on sustainable development dimensions is of great importance for several reasons:

- 1- Employees increasingly value working in organizations that demonstrate a commitment to social responsibility. Understanding the impact of disclosure on sustainable development can help attract and retain top talent.
- 2- Positive accounting disclosure of social responsibility contributes to enhancing the company's reputation, by identifying the most effective ways to communicate these efforts, which in turn can lead to increased brand value.
- 3- How to leverage technology to enhance social responsibility, by finding innovative solutions and methods that companies can adopt to address social and environmental challenges.
- 4- Organizations prioritize accounting disclosure of social responsibility and its disclosure, and it shows that environmental and sustainability considerations are an integral part of the company's values and operations.

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### **1-3 Research objectives**

The research objectives on the subject of the impact of accounting disclosure on social responsibility and its impact on the dimensions of sustainable development may include the following:

- 1-Theoretical aspects of accounting disclosure on social responsibility.
- 2-Identifying the concept of sustainable development as well as its dimensions.
- 3-The relationship between accounting disclosure on social responsibility and the dimensions of sustainable development.

### **1-4 Research Hypothesis**

The main research hypothesis regarding accounting disclosure of social responsibility and its impact on the dimensions of sustainable development can be formulated as follows:

"There is a statistically significant moral effect on increasing transparency and accounting disclosure of social responsibility practices by organizations on the dimensions of sustainable development, including economic, social and environmental aspects."

The following sub-hypotheses emerge from it:

- 1- There is a statistically significant moral effect on increasing transparency and accounting disclosure of social responsibility practices by organizations on the economic dimension of sustainable development.
- 2- There is a statistically significant moral effect on increasing transparency and accounting disclosure of social responsibility practices by organizations on the social dimension of sustainable development.
- 3- There is a statistically significant moral effect on increasing transparency and accounting disclosure of social responsibility practices by organizations on the environmental dimension of sustainable development.

### **1-5 Spatial and temporal boundaries**

The spatial and temporal boundaries of the research can be limited to the following:

A- Spatial boundaries: Baghdad Soft Drinks Company.

B- Temporal boundaries: The temporal boundaries of the research were represented by the fiscal year (2024).

### **1-6 Previous Studies**

#### **Arab Studies**

#### **1- Mr. Zakaria Ibrahim's study 2019 "The Role of Accounting in Measuring the Dimensions of Sustainable Development, an Applied Study"**

This research aims to clarify the role of accounting in measuring the dimensions of sustainable development, by defining sustainable development, its dimensions and importance, as well as the accounting tools used to achieve sustainable development, namely environmental accounting, social accounting, and internal auditing. This research aims to clarify the role of accounting in measuring the dimensions of sustainable development. It also explains the impact of accounting disclosure on corporate sustainability. A field study was conducted on a number of companies specialized in the container industry and cargo

handling in Port Said Governorate, where the researcher distributed (110) and (90) valid questionnaires were received for statistical analysis on the study community as a proportional stratified random sample. The data were analyzed using the SPSS statistical analysis program. The results of the study indicated that the multidimensional measurement approach is the most common method for measuring the dimensions of sustainability. One of the most important recommendations is the necessity of using the multidimensional measurement approach to measure the dimensions of sustainable development by providing information that reflects the results of the environmental and social processes required by law to achieve sustainable development.

**2- Abdul Aziz Hussein Saad Muhammad's study 2021 "The extent of the possibility of applying accounting and disclosure of social responsibility in Libyan joint-stock companies"**

The study aims to determine the extent to which joint-stock companies are aware of the importance of accounting for social responsibility in its various fields, as well as the availability of the components for applying social responsibility accounting in joint-stock companies. It also aims to clarify the benefits and objectives of accounting for social responsibility for companies and banks in general by identifying the theoretical foundations and disclosure methods. The study revealed a number of results related to social responsibility information in annual financial reports using the statistical analysis program (SPSS), the most important of which is that all factors related to social responsibility have an impact as joint-stock companies realize the need to adhere to the requirements of social responsibility. One of the most important recommendations is to develop a philosophical framework that regulates the instructions given to employees in organizations and raises the level of social responsibility and the use and application of accounting disclosure standards.

**FOREIGN STUDIES**

**1- CARMEN CORREA-RUIZ AND JOSÉ M. MONEVA-ABADÍA 2011 "SOCIAL RESPONSIBILITY ACCOUNTING AND REPORTING IN TIMES OF 'SUSTAINABILITY DOWNTURN/CRISIS'"**

"Social Responsibility Accounting and Reporting in Times of Sustainability" addresses the evolving landscape of corporate accountability in the context of sustainability. It explores how companies are increasingly expected to not only measure their financial performance but also assess and report their impact on society and the environment. The book delves into methods, frameworks and best practices for integrating social responsibility into accounting and reporting processes, with an emphasis on the growing importance of sustainable practices for business success and societal well-being. It highlights the need for transparent, credible and standardized reporting mechanisms to enable stakeholders to make informed decisions about a company's contributions to sustainable development.

**2- Bablu Kumar Dhar, Sabrina Maria Sarkar, Foster K. Ayittey 2020 "Impact of social responsibility disclosure between implementation of green accounting and sustainable development: A study on heavily polluting companies in Bangladesh"**

The study aims to explore the relationship between social responsibility disclosure, green accounting implementation, and sustainable development in heavily polluting companies in

Bangladesh, by identifying how these factors interact to address environmental concerns. The results indicate that companies that implement green accounting tend to disclose their social responsibility efforts more transparently. This increased disclosure positively impacts sustainable development initiatives, suggesting a potential avenue for improving environmental practices in polluting industries in Bangladesh. This research highlights the importance of integrating green accounting practices and transparent social responsibility disclosure to promote sustainable development in environmentally sensitive sectors.

## **The second axis: Accounting disclosure of social responsibility accounting in achieving sustainable development**

### **2-1 The concept of social responsibility**

Social responsibility refers to the ethical framework and commitment of individuals, organizations and institutions to act in a way that benefits society as a whole. Social responsibility is defined as the commitment of an organization or individual to contribute to the economic, social and environmental well-being of society. (Chavda, Acharya: 2022, 72) The concept of social responsibility refers to the responsibility of individuals and organizations to consider the impact of their actions on society and take steps to address social and environmental issues. (Pavlyshyn, et al, 2021, 112).

### **2-2 The importance of social responsibility**

The importance of social responsibility for the company and society is highlighted through the following:

#### **1- For the company**

Recently, companies have become more interested in social responsibility by designing plans and programs to benefit from limited resources to support environmental and social issues, as it has many benefits for the company. The importance of social responsibility for the company is highlighted through the following: (Altamimi: 2010:26).

- 1- Improving the company's image in society among consumers and employees, as social responsibility represents voluntary initiatives of the company with various stakeholders.
- 2- Commitment to social responsibility spreads the spirit of cooperation and cohesion between management and employees, as it leads to increased employee loyalty to the company, which in turn affects the company's financial performance.
- 3- Social responsibility represents a positive response to the changes occurring in the needs of society, as well as the long-term strategic return through the company's adoption of its social responsibility.

#### **2- For society**

Social responsibility is important to society through the following:

- 1- The commitment of companies to social responsibility provides stability in the society in which they operate, as the main goal of social responsibility is to provide a kind of justice and the principle of equal opportunities.



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2- Companies' commitment to social responsibility leads to improving the quality of services provided to society. 3- Companies' commitment to social responsibility helps increase social solidarity among the classes of society. (Al-Ghalbi and Al-Amiri: 106, 2005).

### **2-3 Dimensions of Social Responsibility**

Many authors and researchers have addressed the dimensions of social responsibility from different perspectives, where they have identified four main dimensions of social responsibility, which are:

1- The human dimension: This dimension is represented by donations, gifts, and charitable social assistance that serve the community and that do not aim to make a profit. The economic unit may also adopt a basic issue of the community in this dimension and work to support and follow up on it. (Al-Ghalbi and Al-Amiri: 65, 2008)

2- The moral dimension: This dimension is based on ethical principles and standards as well as social norms and values, and within its framework there are many indicators that fall within the framework of equal opportunities, employment, and ethical aspects of consumption, taking into account the principles of human rights, respecting the customs and traditions prevailing in society, and others. When economic units take into account ethics in their decisions, they do what is right, just, and fair, and avoid harming different groups.

3- The legal dimension: This dimension is based on the principles of environmental protection, occupational safety, justice, and consumer protection laws. It contains a large group of elements that are supposed to be used by economic units in a way that produces and contributes to improving the relationship with stakeholders and workers of different genders, races, and religions, as well as preventing damage to the environment through the arbitrary use of resources or pollution of water, air, and soil, as laws are a mirror that reflects what is right or wrong in society and represents the basic rules of work (Al-Hayali: 2009:37).

4- The economic dimension: It means that the institution should be beneficial and economically feasible, and that it should strive to provide security for others by respecting the rules of fair competition and taking full advantage of technological development without causing harm to society and the environment. (Al-Bakri: 2001: 52).

### **2-4 Areas of Social Responsibility Accounting**

Many studies and researches show the integration of some areas of social responsibility and focus on presenting four homogeneous groups that are considered the basis for measuring, evaluating and reporting on the social performance of the project. These areas are:

1- Activities related to human resources development (employees)

These activities are considered an internal group of social responsibility groups, and this group includes the company's activities related to the people working in it who have an effective contribution to achieving the company's goals. The most important of these activities are (Omar and others, 2014: 244)

- Providing free health insurance and occupational safety for workers in addition to providing housing.

- Employee training programs

- Recruitment procedures for appointing workers

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- Providing facilities for transporting employees and educating their families

**2- Activities related to environmental development**

The development in the exploitation of natural resources and technological progress and the resulting increase in industrial waste, as this group is one of the most important groups of social responsibility accounting, as technical and technological progress has caused major environmental problems in terms of water, soil or air pollution. (Al-Tahir, 2007: 43)

**3- Activities related to public contributions**

The activities of this group are related to the company's external community in general, and this type of activity focuses on the company's attempt to solve some humanitarian problems such as employing the disabled and caring for children, and participating in urban planning programs that help reduce crime rates, as well as helping in preparing and implementing housing programs that specialize in establishing housing and distributing it to the poor classes. (Al-Hassan, 2014: 18)

**4- Activities related to product quality**

Where these activities focus on conducting marketing research to identify customers' needs, and helping them with how to use the product and know its characteristics and shelf life, and the areas of product quality can be determined through the following:

- Improving the quality of products provided to customers
- Providing service centers for product maintenance and repair
- Preparing marketing programs that inform customers of the characteristics of products and how to use them
- Placing instructions and guidelines on the product packaging to identify the risks of use and validity. (Al-Hadrawi, 2014: 8)

**2-5 The concept of accounting disclosure of social responsibility**

Accounting disclosure of social responsibility refers to providing transparent and comprehensive information about the organization's social and environmental performance in its financial reports by disclosing information about the company's efforts and initiatives related to sustainability and corporate social responsibility (Thin, 2021: 120).

Accounting disclosure of social responsibility is defined as reporting the company's efforts and results transparently in areas related to social responsibility, which may include a range of issues such as environmental stewardship, community engagement, employee well-being, and ethical business practices. (Shahwan, et al, 2022, 165)

**2-6 The importance of accounting disclosure of social responsibility**

Accounting disclosure represents an obligation on the part of organizations to communicate their impact on society and the environment transparently, and disclosure is important for various reasons (Mustafa, 2019, 1395).

1- Enhances trust and credibility: Transparent accounting disclosures regarding social responsibility demonstrate commitment to ethical practices, as it provides stakeholders including investors, employees, customers and the community with a clear view of how the company contributes positively to society.

2- Accounting disclosure of social responsibility enhances accountability: Through public reporting on social and environmental performance, companies are held accountable for their actions. This accountability encourages responsible decision-making and discourages unethical practices that may have negative repercussions on society or the environment, as it creates a system of checks and balances, ensuring that companies remain committed to their stated social responsibilities.

3- Accounting disclosure of social responsibility serves as a catalyst for positive change: When companies publicly share their efforts towards social responsibility, it not only sets a standard for the industry, but also motivates others to follow suit. This competition for social responsibility promotes innovation and pushes companies to find more sustainable and socially conscious practices. It leads to the development of best practices that can have far-reaching positive impacts on a global scale.

4- Accounting disclosure of social responsibility enhances risk management: It allows organizations to identify potential risks associated with their social and environmental impacts, and this knowledge enables them to address these issues proactively, and mitigate potential risks related to reputation, law or operation in the long term, and by recognizing their impact, companies can implement strategies to reduce negative impacts and benefit from positive contributions.

## **2-7 Factors affecting the level of disclosure of social responsibility**

Some factors affecting the level of disclosure of social responsibility in the financial statements were focused on (Tagesson, at el, 2009, 354):

1- The size of the economic unit: The size of the economic unit, whether it is a company, a group of companies, or even a national economy, can have an impact on the level of accounting disclosure of social responsibility. The following are some of the ways in which the size of the economic unit can affect the level of disclosure:

- Availability of resources: Larger economic units usually have more resources at their disposal, as they can allocate more resources to activities related to social responsibility, including reporting and disclosure efforts.
- Stakeholder influence: Larger entities tend to have a wider range of stakeholders with diverse interests. These stakeholders may exert more pressure to provide transparent reports on social responsibility.
- Access to technology and expertise: Larger entities are often better equipped to implement advanced reporting systems and may have the ability to hire specialists to manage social responsibility reporting efforts.
- Investor and shareholder expectations: Larger entities often have a broader and more diverse investor base, and some of these investors may place a higher value on social responsibility, leading the entity to provide more detailed disclosures.
- Competitive advantage: In some cases, larger entities may use strong social responsibility reporting as a way to differentiate themselves from competitors or as a strategic advantage in attracting customers and investors.



## 2- Nature of the industry

Here are some ways in which the nature of the industry can affect social responsibility accounting disclosure: (Tagesson, at el, 2009, 355)

- External factors and environmental impact: Industries with significant environmental impacts (such as manufacturing, mining, and energy) often face greater scrutiny and pressure to disclose information about their environmental impact.
- Consumer and stakeholder expectations: Industries that interact directly with consumers, such as retail or food and beverage, may face greater demand for information related to social responsibility. Consumers are increasingly concerned about issues such as fair labor practices, sustainable sourcing, and product safety, prompting companies in these industries to disclose more information.
- Social and ethical concerns: Industries involved in sensitive areas such as healthcare, pharmaceuticals, or biotechnology may have a greater obligation to disclose information about ethical considerations, such as patient safety, clinical trial results, and adherence to ethical research practices.
- Technological innovation: Industries that rely on technology and innovation are expected to disclose information about their efforts to develop and implement sustainable and socially responsible technologies. This could include disclosing research and development initiatives, as well as investments in clean technologies.

## 3- Corporate governance

Corporate governance plays a critical role in influencing the level of social responsibility accounting disclosure within a company. Here are some ways in which it can influence this. (Khan, at el, 2013:25)

- Transparency and accountability: Effective corporate governance promotes transparency and accountability, meaning that companies with good governance practices are more likely to provide clear, accurate and comprehensive disclosures regarding their social responsibility activities.
- Incentives and compensation: Compensation and incentive structures for executives and employees can be linked to the achievement of social responsibility goals, and strong corporate governance practices ensure that these incentives are aligned with the company's social responsibility goals, motivating individuals to prioritize these efforts.
- Risk and reputation management: Effective corporate governance emphasizes the importance of risk management, failure to address social responsibility issues can lead to reputational damage and legal liabilities.

## 2-8 The concept of sustainable development

Sustainable development is a concept that refers to a balanced and comprehensive approach to societal progress that seeks to meet the needs of the present without compromising the ability of future generations to meet their own needs. It includes economic, social and environmental dimensions, recognizing that these aspects are interconnected and should be integrated into long-term planning and decision-making. (Ginting, 2020: 482)

The concept of sustainable development refers to a pattern of growth and progress that focuses on achieving a balance between economic progress, social inclusion and

environmental care. It emphasizes long-term well-being by ensuring that current actions do not undermine the resources and opportunities available to future generations. (Mohamed, et al, 2019: 319).

## **2-9 Dimensions of Sustainable Development**

Sustainable development is a concept that includes three interconnected dimensions: economic, social and environmental. These dimensions are often referred to as the "triple bottom line" and are essential to achieving a balanced and harmonious approach to development that meets the needs of the present without compromising the ability of future generations to meet their own needs. These dimensions are as follows:

### **1- The economic dimension**

The economic dimension of sustainable development refers to the goal of promoting economic growth and prosperity while ensuring its environmental sustainability and social inclusion in the long term. This dimension recognizes that a sound economy is the primary driver of the well-being of society in general. (Yaprakli, Özden, 2021:55-56)

The main aspects of the economic dimension of sustainable development include the following:

- 1- Economic growth: Sustainable development requires promoting economic growth, but not at the expense of depleting natural resources or causing environmental damage. It emphasizes the need to separate economic growth from resource consumption and environmental degradation.
- 2- Resource efficiency: This involves using resources efficiently and reducing waste. It includes practices such as recycling, reusing and reducing resource consumption.
- 3- Green technologies and innovation: Encouraging the development and adoption of green technologies is crucial, including renewable energy sources, energy-efficient technologies, and sustainable agricultural practices, among others.
- 4- Job creation: Sustainable development seeks to create jobs, particularly in sectors that promote environmental sustainability and social well-being.
- 5- Infrastructure development: Building and maintaining infrastructure that supports economic activities in an environmentally responsible manner. This may include investments in public transportation, renewable energy infrastructure, and sustainable urban planning.
- 6- Economic diversification: Encouraging diverse economic activities can make societies more resilient to economic shocks and reduce reliance on a single industry that may be unsustainable in the long run.

### **2- Social Dimension**

The social dimension of sustainable development refers to the aspect of sustainability that focuses on improving the well-being and quality of life for current and future generations and includes various social factors: (Kumara, Mutiarin, 2019:194-195)

- 1-Poverty alleviation: ensuring that all individuals have access to basic necessities such as food, clean water, shelter, education and health care, which involves reducing income disparities and providing opportunities for economic growth and stability.

2-Education and knowledge: promoting access to quality education and lifelong learning opportunities for all. This enables individuals and communities to make informed decisions, participate in the workforce, and contribute to societal progress.

3-Health and well-being: providing access to health care, sanitation and nutrition services, including efforts to combat diseases, promote mental health and ensure public health.

4-Human rights and justice: supporting human rights, promoting justice and ensuring that legal systems are fair, accessible and protect the rights of all individuals.

5-Employment and Livelihoods: Promoting decent work and sustainable economic opportunities that provide fair wages, including efforts to create environmentally friendly and socially responsible jobs.

6-Ethical consumption and production: Encouraging responsible and sustainable consumption patterns, as well as promoting ethical and environmentally friendly production practices

### **3-Environmental dimension**

The environmental dimension of sustainable development refers to the consideration and management of natural resources and ecosystems in a way that ensures their long-term sustainability and supports the well-being of present and future generations. It includes a set of environmental issues as follows: (McGRANAHAN, SATTERTHWAITE,2002:216

1- Preserving biodiversity: This includes protecting the diversity of life on Earth, including species, ecosystems and genetic diversity, and aims to maintain the balance of ecosystems and ensure the survival of different species.

2- Protecting ecosystems: This includes protecting the health and functioning of ecosystems, such as forests, wetlands, oceans and pastures. Healthy ecosystems provide vital services such as clean air, water and pollination.

3- Mitigating and adapting to climate change: This focuses on reducing greenhouse gas emissions to mitigate climate change and developing strategies to adapt to its effects, such as rising temperatures, changing weather patterns and rising sea levels.

4- Resource management: This entails using natural resources (such as water, minerals and energy) efficiently and sustainably to meet current needs without compromising the ability of future generations to meet their own needs.

5- Waste management and pollution control: This includes reducing waste generation, encouraging recycling and reuse, and controlling air, water and soil pollution to protect human health and the environment.

6- Renewable energy and energy efficiency: Encouraging the use of renewable energy sources (such as solar, wind and hydropower) and improving energy efficiency is crucial to reducing dependence on fossil fuels and mitigating climate change.

### **2-10 The relationship between social responsibility disclosure and sustainable development**

The relationship between social responsibility disclosure and sustainable development is a crucial one, as they are two intertwined concepts that support and reinforce each other. Here is how to communicate them:

### **1- Transparency and accountability**

Disclosure of social responsibility involves organizations communicating publicly about their efforts, policies and practices related to social and environmental issues. It includes sharing information about their impact on stakeholders, communities and the environment, as transparency and accountability are fundamental principles of sustainable development. For development to be sustainable, it must be transparent in its goals, progress and impacts. This ensures that decisions and actions are taken in the best interests of all current and future stakeholders.

### **2- Addressing stakeholder interests:**

Social responsibility disclosure encourages organizations to consider the interests of a wide range of stakeholders, including employees, customers, communities, and investors, in their decision-making processes.

Sustainable development also seeks to balance economic, social, and environmental interests to meet the needs of the present without compromising the ability of future generations to meet their own needs. This requires addressing and taking into account the interests of different stakeholders.

### **3- Promoting ethical business practices**

Social responsibility disclosure encourages organizations to adopt ethical practices, which can include fair labor standards, responsible sourcing, and ethical marketing. Ethics and integrity are essential to sustainable development, as unethical practices, such as labor exploitation or environmental degradation, are incompatible with long-term sustainable growth.

### **4- Measuring and managing the impact of economic, social, and environmental activities**

Social responsibility disclosure requires organizations to track and report on their social and environmental performance. This includes metrics related to emissions, waste, community engagement, diversity and inclusion, etc.

In order to achieve the Sustainable Development Goals, it is essential to measure and manage the economic, social and environmental impact of activities, including monitoring progress and making adjustments as necessary.

### **5- Encouraging Innovation**

Social Responsibility Disclosure: Encourages organizations to seek innovative solutions to social and environmental challenges, often leading to improved efficiency, cost savings and competitive advantage.

Innovation is also a key driver of sustainable development, as it enables the development of new technologies, practices and business models that can help address modern global challenges.

## 6- Create Trust and Reputation

Transparent communication about social responsibility efforts helps build trust with stakeholders, including customers, employees and investors. Trust is a critical factor in achieving sustainable development, as it requires cooperation and collaboration between different stakeholders. Trust in institutions and companies is essential for successful and lasting sustainable development initiatives.

In short, social responsibility disclosure is a tool that organizations use to demonstrate their commitment to sustainable development. It provides a framework for companies to integrate ethical, social and environmental considerations into their operations, contributing to a more sustainable and inclusive global economy.

## The third axis is the field study

### 3-1 Research hypothesis

The research is based on a main hypothesis that states: "Accounting disclosure of social responsibility affects the dimensions of sustainable development." The following sub-hypotheses emerge from this hypothesis:

- The first sub-hypothesis: "Accounting disclosure of social responsibility in turn affects the social dimension of sustainable development."
- The second sub-hypothesis: "Accounting disclosure of social responsibility in turn affects the economic dimension of sustainable development."
- The third sub-hypothesis: "Accounting disclosure of social responsibility in turn affects the environmental dimension of sustainable development."

### 3-2 Research community and sample

The process of collecting data and information necessary to complete the practical aspect of the research included a questionnaire form, due to the nature of the research, as it was applied to a sample of employees in the Baghdad Soft Drinks Company. The researcher identified the questionnaire tool in the data collection process, and the pursuit of achieving the goals and testing the research hypotheses, as 68 questionnaire forms were distributed electronically to individuals working in the Baghdad Soft Drinks Company - and (60) forms were retrieved. As for the research sample, Table (1) describes the study sample.

### 3-3 Descriptive statistics for the demographic characteristics of the sample

The demographic characteristics of the sample are represented by the percentages and frequencies.

Table (1) Demographic distribution of data			
Categories	Type	Number	Percentages
Gender	Male	48	80%
	Female	12	20%
Total		60	100%
Career Age	1-5	9	15%
	6-10	15	25%
	11-15	24	40%



	16-20	8	13%
	More than 21	4	7%
Total		60	100%
Academic Qualification	Bachelor's	36	60%
	Master's	15	25%
	PhD	9	15%
Total	60	100%	Total
Nature of Work within the Organization	Executive Director	12	20%
	CFO	18	30%
	Sustainability Officer	15	25%
	Operations Manager	9	15%
	Other	6	10%
Total		60	100%

Source: Prepared by the researcher based on the program outputs (SPss.v29)

**A. Gender:** Through the descriptive results in the table above, we note that the study sample included 60 individuals working in the Baghdad Soft Drinks Company, where the (male) category represented (80%) of the study sample, while the (female) category recorded (20%) of the study sample.

**B. Career age:** The category (10-15) years recorded the highest participation rate at (40%) of the sample size, while the category (over 21) years recorded the lowest participation rate at (7%), while the other percentages were distributed with varying differences between (13% to 25%). These percentages indicate the importance of career age in work, especially as elements of effective value in various professional and marketing fields of the Baghdad Soft Drinks Company.

**C. Academic qualification:** The category (Bachelor's) recorded the highest participation rate of (60%) of the sample size, followed by the category (Master's) with a rate of (12%), then finally the category (PhD) with a rate of (15%). The percentages are interpreted in line with the specifics of work in important positions within the Baghdad Soft Drinks Company.

**D. The nature of work within the institution:** We note that the highest percentage was recorded for the category (Financial Manager) with a rate of (30%), then the category (Other) recorded the lowest rate of (10%), while the category (Sustainability Officer) recorded (25%), followed by the category (Executive Director) with a rate of (20%), then followed by the category (Operations Manager) with a rate of (15%).

### 3-4-: Measuring the reliability of the study tool:

The concept of validity (Validity) refers to the extent to which the scale accurately represents the purpose for which it was designed. As for stability, it means the stability of the results and the stability of the tool "questionnaire" used in collecting data, where (Cronbach's and Item-Total-Correlation) were used to determine the stability of the study tool and to measure

the effect of each paragraph independently of the questionnaire paragraphs in the dimension to which it belongs (Zikmund et al., 2010:309), and the researcher also used the (Alpha-Cronbach's) coefficient to measure the internal consistency of the study variables (Pallant, 2011:5).

**Table (2) Stability test**

Dimension phrases Economic	Cronbach's and Item-Total- Correlation	Dimension phrases Social	Cronbach's and Item-Total- Correlation	Dimension phrases Environmental	Cronbach's and Item-Total- Correlation
X1	0.601	Y1	0.702	Z1	0.653
X2	0.629	Y2	0.503	Z2	0.646
X2	0.584	Y2	0.784	Z2	0.703
X3	0.638	Y3	0.655	Z3	0.643
X4	0.668	Y4	0.807	Z4	0.695
X5	0.637	Y5	0.761	Z5	0.762
X6	0.690	Y6	0.684	Z6	0.871
X7	0.716	Y7	0.509	Z7	0.844
X8	0.601	Y8	0.702	Z8	0.653

According to the table above, it became clear that all paragraphs of the main variables have a significant correlation greater than (0.40), which documents the significance of all the phrases of the study tool in measuring what It was developed to measure it. As for measuring the (Cronbach's alpha) coefficient, as shown in the following table:

**Table (3) Cronbach's alpha coefficient**

Variables	Alpha- Cronbach's
Economic	0.727
Social	0.749
Environmental	0.694
Questionnaire as a whole	0.835

As documented in the table above, the reliability coefficient was found for the internal consistency of the study tool paragraphs, as the results show the significance of the reliability coefficient, as the reliability coefficient was recorded (0.649 to 0.835), which documents the study tool's homogeneity and consistency between the variables, indicating that the study tool is stable and valid, and can be relied upon in collecting data from the study sample.

**3- 5 Normal distribution test:** The researcher relied on the (Kolmogorov-Smirnova) coefficient to measure the normal distribution of data to determine the statistical indicators in testing the study hypotheses. The (Shapiro-Wilk) coefficient was also used to verify the homogeneity of the data, as shown in the following table.

**Table (4) Normal distribution**

Statistical parameters Dimension		Economic Dimension	Social Dimension	Environmental Dimension
Kolmogorov-Smirnova	Statistic	0.131	0.105	0.137
	DF	60	60	60
	sig	0.210	0.392	0.109
Shapiro-Wilk	Statistic	0.881	0.940	0.872
	DF	60	60	60
	sig	0.200	0.208	0.235

From the table above, it is clear that the data follow the normal distribution, as the significant significance of the (Kolmogorov-Smirnova) test and all study variables was recorded (greater than 0.05), and we also note from the (Shapiro-Wilk) test that the significant significance was recorded greater than (0.05), which documents the homogeneity of the study sample.

### 3-6 Descriptive analysis of the research topics

#### A. Accounting disclosure of social responsibility and its impact on the economic dimension of sustainable development.

Table (5) Descriptive indicators of the dimension of accounting disclosure of social responsibility and its impact on the economic dimension of sustainable development

Paragraph		Arithmetic mean	Standard error	Standard deviation	Relative importance
1	Companies that disclose their efforts, social responsibilities and achievements can enhance their reputation and brand value	4.51	0.058	0.577	90.20%
2	Disclosure of social responsibility information helps the company attract socially conscious investors who prioritize sustainability	4.29	0.062	0.624	85.80%
3	Disclosure of social responsibility practices can affect the company's financial performance	4.15	0.069	0.687	83.00%
4	Accounting disclosure of social responsibility affects the company's cost management practices	4.05	0.078	0.783	81.00%
5	Disclosure of social responsibility accounting emphasizes long-term planning Creating value for the organization	4.33	0.062	0.62	86.60%
6	Transparency in disclosure of social responsibility enhances trust and engagement with various stakeholders such as customers, employees, and others	4.41	0.057	0.57	88.20%
7	A company that proactively discloses social responsibility information helps it access global markets and companies that prioritize sustainability	4.18	0.08	0.796	83.60%
8	Accounting disclosure of social responsibility gives the organization a competitive advantage in the market	4.26	0.073	0.733	85.20%
Economic Dimension		4.27	0.041	0.413	85.40%

**From the statistics shown in the table above, the following is clear: -**

- The arithmetic mean of the economic dimension in general recorded (4.27) with a standard error of the arithmetic mean of (0.041) which reflects the sample's high representation of the community, while the standard deviation of the values reached (0.413) with a relative importance of (85.40%), which reflects the importance of disclosing social responsibility accounting and its role in long-term planning and value creation for the organization, which enhances trust and engagement with various stakeholders such as customers, employees, and others.
- The phrase (companies that disclose their efforts, social responsibilities, and achievements can enhance their reputation and brand value) received the highest relative importance from the sample members, as it recorded (90.20%) with an arithmetic mean of (4.51), while the standard error coefficient of the arithmetic mean recorded (0.058) with a standard deviation of (0.577).
- The phrase (accounting disclosure of social responsibility affects cost management practices in the company) received the lowest relative importance from the sample members, as it recorded (81.00%) with an arithmetic mean of (4.05), while the standard error coefficient of the arithmetic mean recorded (0.078) with a standard deviation of (0.783).

#### **B. Accounting disclosure of social responsibility and its impact on the social dimension of sustainable development**

Table (6) Descriptive indicators of the accounting disclosure dimension of social responsibility and its impact on the economic dimension of sustainable development.

Paragraph	Arithmetic mean	Standard error	Standard deviation	Relative import
1 Disclosure of social responsibility practice and results enhances transparency and accountability	4.13	0.068	0.677	82.60%
2 Disclosure of social responsibility accounting allows stakeholders to provide feedback, express concerns, and collaborate on solutions to social challenges	4.06	0.08	0.802	81.20%
3 Disclosure of social responsibility accounting enables organizations to provide data and evidence about their social initiatives	4.01	0.073	0.732	80.20%
4 Disclosure of social responsibility accounting encourages organizations to adopt and improve their social responsibility practices	4.19	0.069	0.692	83.80%
5 Disclosure of a company's social performance helps attract and retain talent	4.42	0.057	0.572	88.40%
6 Accounting disclosure of social responsibility affects employee morale and satisfaction	4.32	0.055	0.548	86.40%
7 Disclosure of social responsibility accounting indicates a commitment that goes beyond profit and shows that the organization contributes positively to society	4.39	0.063	0.634	87.80%
8 Disclosure of the company's social performance leads to stronger partnership with NGOs and civil society organizations	4.33	0.06	0.604	86.60%
Social dimension	4.23	0.040	0.395	84.60%

**From the statistics shown in the table above, the following is clear: -**

- The arithmetic mean of the social dimension in general recorded (4.23) with a standard error of the arithmetic mean of (0.040), which reflects the sample's high representation of

society, while the standard deviation of the values reached (0.395) with significance. The relative importance reached (84.60%), which reflects the importance of accounting disclosure of social responsibility, which affects employee morale and satisfaction, and allows stakeholders to provide feedback, express concerns, and cooperate to find solutions to social challenges.

- The phrase (disclosure of social responsibility accounting indicates a commitment that goes beyond profit and shows that the organization contributes positively to society) received the highest relative importance from the sample members, as it recorded (87.80%) with an arithmetic mean of (4.39), while the standard error coefficient of the arithmetic mean recorded (0.063) with a standard deviation of (0.634).

- The phrase (disclosure of social responsibility accounting allows stakeholders to provide comments, express concerns, and cooperate to find solutions to social challenges) received the lowest relative importance from the sample members, as it recorded (81.20%) with an arithmetic mean of (4.06), while the standard error coefficient of the arithmetic mean recorded (0.080) with a standard deviation of (0.802).

### C. Accounting disclosure of social responsibility and its impact on the environmental dimension of sustainable development

Table (7) Descriptive indicators of the accounting disclosure dimension of environmental responsibility and its impact on the economic dimension of sustainable development.

Paragraph	Arithmetic mean	Standard error	Standard deviation	Relative importance
1 Disclosure of environmental performance helps a company collaborate with other businesses, NGOs, and government agencies to collectively address environmental challenges	4.34	0.068	0.685	86.80%
2 Disclosure of environmental performance helps companies that demonstrate strong environmental practices attract investors interested in environmental issues	4.55	0.054	0.539	91.00%
3 Companies that actively disclose their environmental performance are more likely to attract investment from individuals and institutions that place importance on sustainability	4.46	0.059	0.593	89.20%
4 Disclosure of a company's environmental performance helps it think about its long-term impact on the environment	3.59	0.082	0.818	71.80%
5 Disclosure of environmental performance can create incentives for companies to improve their environmental performance	4.2	0.068	0.682	84.00%
6 Disclosure of environmental performance encourages engagement with stakeholders and helps them become more aware of the company's environmental practices	4.03	0.067	0.674	80.60%
7 Companies that disclose their environmental performance increase transparency and accountability by sharing information about their environmental practices	4.17	0.057	0.57	83.40%
8 Disclosure of a company's environmental performance allows for benchmarking and comparative analysis of environmental performance across industries and competitors	4.25	0.044	0.435	85.00%
Environmental dimension	4.20	0.038	0.376	84.00%



**From the statistics shown in the table above, the following is clear:**

- The arithmetic mean of the environmental dimension in general recorded (4.20) with a standard error of the arithmetic mean of (0.038), which reflects the sample's representation of the community in general Acceptable, while the standard deviation of the values reached (0.376) with a relative importance of (84.00%), which reflects the importance of accounting disclosure of environmental performance, which encourages participation with stakeholders and helps them become more aware of the company's environmental practices, as well as increases transparency and accountability by sharing information about its environmental practices.
- The phrase (Environmental performance disclosure helps companies that demonstrate strong environmental practices to attract investors interested in environmental issues) received the highest relative importance from the sample members, as it recorded (91.00%) with an arithmetic mean of (4.55), while the standard Error coefficient of the arithmetic mean recorded (0.054) with a standard deviation of (0.539).
- The phrase (disclosure of the company's environmental performance helps it think about its long-term impact on the environment) received the lowest relative importance from the sample members, as it recorded (71.80%) with an arithmetic mean of (3.59), while The standard error coefficient of the arithmetic mean recorded (0.082) with a standard deviation of (0.818).

**3-7 Testing and analyzing the research variables:**

The first step is to determine the relationship between the basic research variables and the nature of the relationship between them. By testing the research hypotheses, and relying on the (T-Test) test to measure the significance of the arithmetic mean, Then we compare it with the hypothetical mean.

**A. The first hypothesis** "Accounting disclosure of social responsibility in turn affects the economic dimension of sustainable development" Table (8) shows the results of the test coefficient values for the research variables that were assumed.

**Table (8) Testing the first hypothesis**

Statistical indicators	Estimated parameters
Arithmetic mean	4.273
Standard deviation	0.413
Standard error	0.041
Average differences	1.273
Hypothetical arithmetic mean	3
Degree of freedom	59
(T-TEST) calculated	30.839
(T-TEST) tabular	2.000
Significance	less than 5%
Decision	accept the hypothesis

From the table above, which includes the results of the first hypothesis, the impact of accounting disclosure of social responsibility in turn on the economic dimension of sustainable development, where the significance was less than (5%), and the test value (T-TEST) was also higher than its tabular value, which documents the significance of the impact of accounting disclosure of social responsibility on the economic dimension of sustainable development, which in turn affects the company's financial performance and cost management practices in the company and gives the organization a competitive advantage in the market. We also note that the value of the differences It was positive, that is, in other words, the significance is in favor of the arithmetic mean in proving the first hypothesis of the research.

**B. The second hypothesis** "Accounting disclosure of social responsibility affects the social dimension of sustainable development in turn." Table (8) shows the results of the test coefficient values for the research variables that were assumed.

**Table (9) Testing the second hypothesis**

Statistical indicators	Estimated parameters
Arithmetic mean	4.231
Standard deviation	0.395
Standard error	0.039
Average differences	1.231
Hypothetical arithmetic mean	3
Degree of freedom	59
(T-TEST) calculated	31.137
(T-TEST) tabular	2.000
Significance	less than 5%
Decision	accept the hypothesis

From the table above, which includes the results of the second hypothesis, the impact of accounting disclosure of social responsibility in turn on the social dimension of sustainable development, where the significance was less than (5%), the test value (T-TEST) was also higher than its tabular value, which documents the significance of the impact of accounting disclosure of social responsibility on the social dimension of sustainable development, which in turn enhances transparency and accountability and enables organizations to provide data and evidence about their social initiatives. We also note that the value of the differences was Positive, in other words, the significance is in favor of the arithmetic mean in proving the second hypothesis of the research.

**C. The third hypothesis** "Accounting disclosure of social responsibility in turn affects the environmental dimension of sustainable development." Table (10) shows the results of the test coefficient values for the research variables that were assumed.

**Table (10) Testing the third hypothesis**

Statistical indicators	Estimated parameters
Arithmetic mean	4.198
Standard deviation	0.376
Standard error	0.037
Average differences	1.198
Hypothetical arithmetic mean	3
Degree of freedom	59
(T-TEST) calculated	31.874
(T-TEST) tabular	2.000
Significance	less than 5%
Decision	accept the hypothesis

From the table above, which includes the results of the third hypothesis, the impact of accounting disclosure of social responsibility in turn on the environmental dimension of sustainable development, where the significance was less than (5%), the test value (T-TEST) was also higher than its tabular value, which documents the significance of the impact of accounting disclosure of social responsibility on the environmental dimension of sustainable development, which in turn helps the company cooperate with companies, non-governmental organizations and government agencies to confront environmental challenges collectively and helps it think about its long-term impact The term on the environment, we also note that the value of the differences was positive, that is, in other words, the morality is in favor of the arithmetic mean in proving the third hypothesis of the research.

### **3-8 Conclusions**

- 1- It was found that there is great importance for accounting disclosure of social responsibility and its role in attracting socially conscious investors who give priority to sustainability, as it gives the organization a competitive advantage in the market.
- 2- It was found that there is great importance for accounting disclosure of social responsibility, as it enhances transparency and accountability and enables organizations to provide data and evidence about their social initiatives.
- 3- It was found that there is great importance for accounting disclosure of social responsibility, as it encourages participation with stakeholders and helps them become more aware of the company's environmental practices and increases transparency and accountability by sharing information about its environmental practices.
- 4- The results of the hypothesis testing showed the morality of accounting disclosure from the point of view of the research sample on social responsibility and its impact on the dimensions of sustainable development (economic, social and environmental).

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